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Teresa J. Hill, Secretary  
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Department of Public Protection

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

Mark David Goss  
Chairman

John W. Clay  
Vice Chairman

Caroline Pitt Clark  
Commissioner

September 25, 2007

Mr. John Pierce  
Garrison-Quincy Water District  
P.O. Box 279, Murphy's Lane  
Garrison, KY 41141

RECEIVED

DEC 05 2007

PUBLIC SERVICE  
COMMISSION

Dear Mr. Pierce:

Please find enclosed a copy of the proposed rate application which Commission Staff has completed for the Garrison-Quincy Water District. This application reflects Garrison-Quincy's operations using financial information for the year 2006, adjusted to reflect Commission Staff recommendations and any known and measurable changes occurring since then. It is prepared based upon a revenue increase of \$88,852, as shown on page 3 of the application.

If Garrison-Quincy decides to pursue the recommended rate increase, the District needs to properly notify its customers of the proposed rate increase, have an officer of the District sign the application on page 7, and return an original and 10 copies of the application to the Commission. A copy should also be sent to the Office of the Attorney General at P.O. Box 2000, Frankfort, KY 40602-2000. If the application is properly filed, the Commission will process it as quickly as possible. However, the District cannot begin charging new rates until the Commission has granted its approval of such rates by a written Order.

If you have any questions about the application, please contact me at (502) 564-3940, ext. 453. Thank you for your cooperation, and it has been a pleasure to work with you on this.

Sincerely

Jack Kaninberg  
Division of Financial Analysis

APPLICATION FOR RATE ADJUSTMENT  
BEFORE THE PUBLIC SERVICE COMMISSION

For Small Utilities  
Pursuant to 807 KAR 5:076  
(Alternative Rate Filing)

Garrison-Quincy-Ky-O-Heights Water District  
Name of Utility

P.O. Box 279, Murphy's Lane

Garrison, Kentucky 41141  
Business Mailing Address

Telephone Number (606) 757-4898  
Area Code Number

I. Basic Information

NAME, TITLE, ADDRESS and Telephone number of the person to whom correspondence or communications concerning this application should be directed:

Name: John Pierce, Manager

Address: P.O. Box 279, Murphy's Lane

Garrison, KY 41141

Telephone Number: (606) 757-4898

- |    |  |     |    |
|----|--|-----|----|
| 1) | Do you have 500 customers or fewer?  | Yes | No |
| 2) | Do you have \$300,000 in Gross Annual Revenue or less? – <b>Deviation Requested; 2006 revenues are less than 10% above the threshold at \$328,855.</b> | Yes | No |
| 3) | Has the Utility filed an annual report with this Commission for the past year and the two previous years?  | Yes | No |
| 4) | Are the utility's records kept separate from any other commonly-owned enterprise?  | Yes | No |

NOTICE: To be eligible for consideration of a rate adjustment under this regulation, you must have answered yes to either question 1 or 2 and yes to both questions 3 and 4 above. If you answer no to questions 3 or 4, you must obtain

written approval from the Commission prior to filing this Application. If these requirements are not met, you must file under the Commission's procedural rules, 807 KAR 5:001.

II. Increased Cost Information

(1) The most recent Annual Report will be used as the basic test period data in order to determine the reasonableness of the proposed rates. The Annual Report used as the basis for the 12 months ending December 31, 2006.

- a. If you have reason to believe some of the items of revenue and expense listed in the Annual Report will increase or decrease, please list each item, the expected increase or decrease and the adjusted amount.

**See Attachment A.**

- b. Please describe each item that you adjusted on page 2 and how you know it will change. (Please attach invoices, letters, contracts or receipts which will help in proving the change in cost).

**Please see the notes to Attachment A for these descriptions.**

- i. Please list your present and proposed rates for each class (i.e., residential, commercial, etc.) of customer and the percentage of increase proposed for each class:

**See attachments**

III. Other Information

- a. Please complete the following questions:
- 1) Please describe any events or occurrences, which may have an effect on this rate review that should be brought to the Commission's attention (e.g., excessive line losses, major repairs, planned construction).
  - 2) Total number of Customers as of the date of filing: 1,074

3) Total amount of increased revenue requested: \$88,852

4) Please circle Yes or No:

a) Does the utility have any outstanding indebtedness? Yes      No

If yes, attach a copy of any documents such as promissory notes, bond resolutions, mortgage agreements, etc.

b) Were all revenues and expenses listed in the Annual Report for 2006 incurred and collected from January 1 to December 31 of that year? Yes      No

If no, list total revenues and total expenses incurred prior to or subsequent to this period and attach invoices or other analysis which show how amounts were calculated.

5) Attach a copy of the utility's depreciation schedule of utility plant in service. Reconcile any differences between total depreciation shown on the Annual Report for 2006 and the amount shown on this schedule. – **Depreciation schedule attached.**

6) If utility is a sewer utility:

a) Attach a copy of the latest State and Federal Income Tax Returns. **Not applicable**

b) How much of the utility plant was recovered through the sale of lots or other contributions? (If unknown, state the reason).

b. Please state the reason or reasons why a rate adjustment is requested. (Attach additional pages if necessary).

**Garrison-Quincy's costs have continued to increase since its last rate case, and its current rates do not provide adequate funds to recover all of its operating expenses.**

#### IV. Billing Analysis

The billing analysis is the chart reflecting the usage by the customers as well as the revenue generated by a specific level of rates. A billing analysis of both the

current and proposed rates is mandatory for analysis of this rate filing. The following is a step-by-step description which may be used to complete the billing analysis. A completed sample of a billing analysis is also included. Although the sample reflects water usage, it is equally applicable for gas companies using declining block rate design. This billing analysis is not intended for companies using a flat rate design.

a. Usage Table (Usage by Rate Increment)

Information needed to complete the usage table should be obtained from the meter books or other available usage records. The usage table is used to spread total usage into the proper incremental rate step.

Column No. 1 is the incremental steps in the present or proposed rate schedule for which the analysis is being made. Column No. 2 is the number of bills in each incremental rate step. Column No. 3 is the total gallons used in each incremental rate step. Column Nos. 4, 5, 6, 7, 8, and 9 are labeled to correspond to the incremental rate steps shown in Column No. 1 and contain the actual number of gallons used in each incremental rate step.

Example for completing Usage Table is as follows:

Column No. 1 is incremental rate steps.

Columns numbered 2 and 3 are completed by using information obtained from usage records.

Columns numbered 4, 5, 6, 7, 8, and 9 are completed by the following steps:

Step 1: 1<sup>st</sup> 2,000 gallons minimum bill rate level  
432 Bills  
518,400 gallons used  
All bills use 2,000 gallons or less, therefore, all usage is recorded in Column 4.

Step2: Next 3,000 gallons rate level  
1,735 Bills  
4,858,000 gallons used  
1<sup>st</sup> 2,000 minimum x 1,735 bills = 3,470,000 gallons – record in Column 4.  
Next 3,000 gallons – remainder of water over 2,000 = 1,388,000 gallons – record in Column 5.

Step3: Next 10,000 gallons rate level  
1,830 Bills  
16,268,700 gallons used

1<sup>st</sup> 2,000 minimum x 1,830 bills = 3,660,000 gallons –  
record in Column 4.  
Next 3,000 gallons x 1,830 bills = 5,490,000 gallons –  
record in Column 5.  
Next 10,000 gallons – remainder of water over 3,000  
= 7,118,700 gallons – record in Column 6.

Step4: Next 25,000 gallons rate level  
650 Bills  
15,275,000 gallons used  
1<sup>st</sup> 2,000 minimum x 650 bills = 1,300,000 gallons –  
record in Column 4.  
Next 3,000 gallons x 650 bills = 1,950,000 gallons –  
record in Column 5.  
Next 10,000 gallons x 650 bills = 6,500,000 gallons –  
record in Column 6.  
Next 25,000 gallons – remainder of water over 10,000  
= 5,525,000 gallons – record in Column 7.

Step5: Over 40,000 gallons rate level  
153 Bills  
9,975,600 gallons used  
1<sup>st</sup> 2,000 minimum x 153 bills = 306,000 gallons –  
record in Column 4.  
Next 3,000 gallons x 153 bills = 459,000 gallons –  
record in Column 5.  
Next 10,000 gallons x 153 bills = 1,530,000 gallons –  
record in Column 6.  
Next 25,000 gallons x 153 bills = 3,825,000 gallons –  
record in Column 7.  
Over 40,000 gallons – remainder of water over 25,000  
= 3,855,600 gallons – record in Column 8.

Step6: Total each column for transfer to Revenue Table.

b. Revenue Table (Revenue by Rate Increment)

The Revenue Table is used to determine the revenue produced from the Usage Table. Column No. 1 is the incremental rate steps in the rate schedule for which the analysis is being made. Column No. 2 indicates the total number of bills. Column No. 3 is the number of gallons accumulated in each rate increment (Totals from Columns 4, 5, 6, 7, and 8 of the above usage table). Column No. 4 is the rates to be used in determining revenue. Column No. 5 contains the revenue produced.

**SAMPLE**

Revenue from Present/Proposed Rates  
 Test Period from 01-01-XX to 12-31-XX

**USAGE TABLE**

Usage by Rate Increment

**Class:** Residential

(1)	(2) Bills	(3) Gallons/Mcf	(4) First 2,000	(5) Next 3,000	(6) Next 10,000	(7) Next 25,000	(8) Over 40,000	(9) Total
First 2,000 Minimum Bill	432	518,400	518,400					518,400
Next 3,000 Gallons	1,735	4,858,000	3,470,000	1,388,000				4,858,000
Next 10,000 Gallons	1,830	16,268,700	3,660,000	5,490,000	7,118,700			16,268,700
Next 25,000 Gallons	650	15,275,000	1,300,000	1,950,000	6,500,000	5,525,000		15,275,000
Over 40,000 Gallons	153	9,975,600	306,000	459,000	1,530,000	3,825,000	3,855,600	9,975,600
<b>Totals</b>	<b>4,800</b>	<b>46,895,700</b>	<b>9,254,400</b>	<b>9,287,000</b>	<b>15,148,700</b>	<b>9,350,000</b>	<b>3,855,600</b>	<b>46,895,700</b>

**REVENUE TABLE**

Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 2,000 Minimum Bill	4,800	9,254,400	\$ 5.00 Minimum Bill	\$ 24,000.00
Next 3,000 Gallons		9,287,000	\$ 2.50 per 1,000 Gal.	23,217.50
Next 10,000 Gallons		15,148,700	\$ 2.00 per 1,000 Gal.	30,297.40
Next 25,000 Gallons		9,350,000	\$ 1.25 per 1,000 Gal.	11,687.50
Over 40,000 Gallons		3,855,600	\$ 0.75 per 1,000 Gal.	2,891.70
<b>Totals</b>	<b>4,800</b>	<b>46,895,700</b>		<b>\$ 92,094.10 Total Revenue</b>

Instructions for Completing Revenue Table:

- (1) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (2) Complete Column No. 4 using rates either present or proposed.
- (3) Column No. 5 is completed by first multiplying the bills times the minimum charge.
- (4) Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

V. General Information/Customer Notice

1) Filing Requirements:

a. If the applicant is a corporation, a certified copy of its articles of incorporation must be attached to this application. If the articles and any amendments thereto have already been filed with the Commission in a prior proceeding, it will be sufficient to state that fact in the application and refer to the style and case number of the prior proceeding.

b. An original and 10 copies of the completed application should be sent to:

Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Post Office Box 615  
Frankfort, Kentucky 40602

Telephone: 502 / 564 – 3940

c. One Copy of the completed application should also be sent at the same time to:

Public Service Litigation Branch  
Office of the Attorney General  
Post Office Box 2000  
Frankfort, Kentucky 40602-2000

2) A copy of the customer notice must be filed with this application. Proper notice must comply with Section 4 of this regulation.

3) Copies of this form and the regulation may be obtained from the Commission's Office of Executive Director; or by calling 502 / 564 – 3940.

4) I have read and completed this application, and to the best of my knowledge all the information contained in this application is true and correct.

Signed John Pierce  
Officer of the Company  
Title Manager  
Date 11-06-07

**Garrison Quincy WD Attachment A**

<b>Garrison-Quincy Pro Forma</b>	<b>2006</b>	<b>Adjustments</b>	<b>Ref.</b>	<b>Adjusted</b>
Water Sales Revenue	\$317,851	(\$5,974)		\$311,877
Other Op. Revenue	\$11,004	\$32,528		\$43,532
<b>Water Sales Revenue</b>	<b>\$328,855</b>	<b>\$26,554</b>	<b>A</b>	<b>\$355,409</b>
Employee Salaries Expense	\$89,332	\$11,623	<b>B</b>	\$100,955
Officer Salaries Expense	\$6,600	0		\$6,600
Pensions/Benefits Expense	\$12,632	\$5,711	<b>C</b>	\$18,343
Purchased Water Expense	\$31,578	(\$4,391)	<b>D</b>	\$27,187
Purchased Power Expense	\$19,409	(\$1,968)	<b>E</b>	\$17,441
Chemicals Expense	\$4,212	(\$427)	<b>F</b>	\$3,785
Materials/Supplies Expense	\$15,996	0		\$15,996
Contract Services-Acct. Expense	\$3,000	\$200	<b>G</b>	\$3,200
Contract Services-Other Expense	\$1,300	0		\$1,300
Transportation Expense	\$4,119	0		\$4,119
Insurance Expense	\$23,069	0		\$23,069
Reg. Com Expense	0	\$561	<b>H</b>	\$561
Bad Debt Expense	\$2,191	(\$1,394)	<b>I</b>	\$797
Miscellaneous Expense	\$33,059	(\$4,481)	<b>J</b>	\$27,672
		<b>(\$533)</b>		
		<b>(373)</b>		
<b>Tot. Water Util. Expense</b>	<b>\$246,497</b>	<b>\$4,528</b>		<b>\$251,025</b>
Depreciation Expense	\$125,070	0		\$125,070
Amortization Expense	0	\$3,320	<b>K</b>	\$3,320
		\$124		\$124
Taxes OT Income Expense	\$7,609	\$619	<b>L</b>	\$8,228
<b>Total Operating Expenses</b>	<b>\$379,176</b>	<b>\$8,591</b>		<b>\$387,767</b>
<i>Total Operating Income</i>	<i>(\$50,321)</i>	<i>\$17,963</i>		<i>(\$32,358)</i>
Interest Income	\$10,849	(\$10,022)	<b>M</b>	\$827
Interest Expense	(\$43,265)	0		(\$43,265)
Net Income	(\$82,737)	\$7,941		(\$74,796)

\$ 387,767 - Adjusted Operating Expenses  
\$ 71,158 - 1.2 Debt Service Coverage  
 \$ 458,925 - Revenue Requirement  
 (\$355,409) - Normalized Revenues  
(\$ 827) - Interest Income  
**\$ 102,689 - Justified Increase**  
**\$ 88,852 - Requested Increase (25% over Normalized Revenues)**

**Pro Forma Debt Service:**

\$14,600 – 2008 principal  
 \$16,200 – 2009 principal  
\$17,300 – 2010 principal  
 \$48,100 – Total

\$16,033 – 3 yr. avg.  
\$43,265 – 2006 Interest  
 \$59,298 – Debt Service x 1.2 = \$71,158

**Reference Notes:**

**A. Water Sales Revenue** was normalized based on the results of commission staff's billing analysis

**B. Employee Salaries Expense** was adjusted to reflect the 2007 salaries of five workers, as follows:

<b>Title</b>	<b>2007 Salary</b>
Manager	\$29,806.40
Operator	\$23,732.80
Operator	\$18,220.80
Office Worker	\$16,078.40
Office Worker	\$13,117.00
<b>Total</b>	<b>\$100,955.40</b>

**C. Pensions and Benefits Expense** was adjusted to reflect a retirement system contribution rate of 16.17% on pro forma salaries of \$100,955 for 2007, and a contribution rate of 2% into a 401k fund.

**D. Normalized Purchased Water Expense** was calculated as follows, including an adjustment for excess line loss (Garrison-Quincy's line loss was 22.87% for 2006, and the Commission normally allows no more than 15% line loss for ratemaking purposes) :

	2006	Proforma	Purchased	Produced
<i>Purchased (23.87%)</i>	17,503			
<i>Produced (76.13%)</i>	55,833			
<i>Tot. (100%)</i>	73,336			
Water sold (72.67%)	53,292	53,781,472		
Water used by GQ (4.46%)	3,274	3,300		
Subtotal (77.13%)		53,784,772		
Unacct for loss (22.87%)	16,770	16,925,583		
Total (100%)	73,336	74,007,805		
Hold to 15% line loss		9,491,430		
Add Sales and Use		53,784,772		
Total if 15% line loss		63,276,202	15,104,029	48,172,173
Actual at 22.87%		16,925,583		
15% line loss		9,491,430		
Excess line loss		7,434,153	1,774,532	5,659,621
			\$1.80/th.	
Line loss Adjustment			\$3,194	

-2006 Purchased Water Expense \$31,578 divided by Purchases of 17,503 = \$1.80 average rate.

-Proforma purchases of 15,104,029 (including 15% line loss) x \$1.80 = **\$27,187 allowed purchased water expense.**

**E. Purchased Power Expense** was adjusted for excess line loss as follows:

2006 Purchased Power Expense - \$19,409 Divided by 2006 thousand gallons produced and purchased of 73,336 = \$.2647 purchased power cost per thousand x total excess line loss of 7,434,153 gallons = **\$1,968 adjustment**

**F. Chemicals Expense** was adjusted for excess line loss as follows:

2006 Chemicals Expense \$4,212 Divided by 2006 thousand gallons produced of 55,833 = \$.0754 chemicals cost per thousand x Excess proforma production of 5,659,621 gallons = **\$427 adjustment**

**G. Contractual Services – Accounting Expense** was adjusted to reflect a pro forma expense of \$3,200, up from \$3,000 in 2006.

**H. Regulatory Commission Expense** of \$561 was reclassified from Miscellaneous Expenses.

**I. Bad Debt Expense** was higher than normal in 2006, so a three-year average was taken, resulting in an adjustment of \$1,394.

**J. Miscellaneous Expenses** were adjusted to remove or reclassify five items. The first was the reclassification of the above-mentioned Regulatory Commission Expense of \$561. The second was the removal of \$1,000 of Christmas bonuses. The remaining three adjustments were to remove charges totaling \$2,920 which are not expected to recur, an expenditure of \$533 for one-time chemical tests, and another testing expenditure of \$373 which occurs every three years. The latter expense has been included in Amortization Expenses based upon a three-year recovery period.

**K. Amortization Expense** was adjusted to include the \$3,320 amortization expense allowed in Garrison-Quincy's most recent rate case in 2006, and to allow a three-year recovery of \$124 for the chemical test of \$373 removed from Miscellaneous Expenses.

**L. Taxes Other Than Income Expense** was adjusted to reflect FICA taxes of \$8,228 based on pro forma Salaries Expense of \$107,555 for the employees and officers times the FICA rate of 7.65%.

**M. Interest Income** was adjusted to remove the \$10,022 of interest associated with restricted cash, which was 92.374% of total cash investments.

GARRISON-QUINCY WATER DISTRICT

FIXED ASSETS & DEPRECIATION

DECEMBER 31, 2005 and 2006

	COST			ALLOWANCE FOR DEPRECIATION					Book Value
	Balance 12-31-04	2005 ADDITIONS	BALANCE 12/31/2006	Balance 12-31-04	2005 PROVISION	BALANCE 12/31/2005	2006 PROVISION	BALANCE 12/31/2006	
Land and Land Rights	\$ 3,576		\$ 3,576						3,576
Structures & Improvements	48,666		48,666	17,061	1,298	18,359	1,298	19,657	29,009
Collecting Reservoirs	42,579		42,579	13,728	946	14,674	946	15,620	26,959
Wells & Springs	42,622	94,229	136,851	10,287	947	11,234	3,041	14,275	122,576
Pumping Equipment	167,282		167,282	59,624	8,364	67,988	8,364	76,352	90,930
Water Treatment	542,810		542,810	352,923	27,141	380,064	27,141	407,205	135,606
Trans Distr & Mains	2,161,819	171,030	2,332,849	301,166	43,236	344,402	46,657	391,059	1,941,790
Services	7,875		7,875	3,781	197	3,978	197	4,175	3,700
Meters & Meter Installations	99,546	5,100	109,746	14,931	10,720	25,651	10,975	36,626	73,120
Hydrants	2,076		2,076	948	46	994	46	1,040	1,036
Office Furniture & Equipment	18,620		18,620	10,450	1,862	12,312	1,862	14,174	4,446
Transportation Equipment	55,579	15,938	71,517	43,150	11,116	54,266	14,303	68,569	2,948
Tools, Shop Equipment	41,101	10,100	51,201	22,168	11,250	33,418	10,240	43,658	7,543
<b>TOTALS</b>	<b>\$ 3,234,151</b>	<b>15,200</b>	<b>\$ 3,535,648</b>	<b>\$ 850,217</b>	<b>\$ 117,123</b>	<b>\$ 967,340</b>	<b>\$ 125,070</b>	<b>\$ 1,092,410</b>	<b>\$ 2,443,238</b>
Construction in Progress									
Sewer Project	170,459	61,930	339,241						
Red Brush	-	-	-						
McDowell	-	-	-						
<b>TOTAL CONSTRUCTION</b>	<b>170,459</b>	<b>61,930</b>	<b>339,241</b>						
<b>TOTAL PLANT</b>	<b>\$ 3,404,610</b>	<b>\$ 77,130</b>	<b>\$ 3,874,889</b>						

J Kaninberg

FORM RD 1951-9  
4/03/05

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT  
ANNUAL STATEMENT OF LOAN ACCOUNT

PAGE 005  
DATE 123105

SAVE THIS INFORMATION  
FOR INCOME TAX PURPOSES

DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALANCE		0.00	352,000.00	352,000.00			010105
PAYMENT		7,920.00	0.00	7,920.00	R	04.5000	060605
PAYMENT		7,820.00	4,000.00	11,820.00	R	04.5000	122105
TOTAL LOAN PMTS		15,840.00	4,000.00	19,840.00			
TOTAL PAID ON ALL LOANS THIS YEAR		44,308.10	22,900.00	67,208.10			
LOAN ACTIVITY	0.00	15,840.00	4,000.00	19,840.00			
LOAN BALANCE	UNPD INTEREST	0.00 **	UNPD PRIN	348,000.00 **			
NXT AMT DUE	11,820.00		DATE DUE	010106			
PAYMENT STATUS	ON SCHEDULE						
BORROWER ACTIVITY	0.00	44,308.10	22,900.00	67,208.10			
BORR BAL	UNPD INTEREST	35.24	UNPD PRIN	865,100.00			
<small>*These unpaid balances may not reflect the total amount due to the Agency at payoff.</small>							
RECIPIENT'S/LENDER'S name, address, and telephone number		CAUTION: The amount shown may not be fully deductible by you. Limit based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.		OMB NO. 1545-0901 <b>2005</b> Form 1098		<input type="checkbox"/> CORRECTED (if checked) <b>Mortgage Interest Statement</b>	
USDA, RURAL DEVELOPMENT PHONE# (314) 457-4310 P.O. BOX 200011 FC-351 ST. LOUIS, MO 63120-0011							
RECIPIENT'S Federal Identification No	PAYER'S social security number	1 Mortgage interest received from payer(s)/borrower(s)		COPY B FOR PAYER			
431737115	610724771	\$ 0.00					
PAYER'S/BORROWER'S name and address		2 Points paid on purchase of principal residence (See Box 2 instructions.)		The information in boxes 1, 2, and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overvalued a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.			
20-704 GARRISON-QUINCY-KY- O'HEIGHTS WATER DISTRICT P O BOX 278 GARRISON KY		3 Refund of overpaid interest (See Box 3 instructions.)					
41141		4 IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE, PLEASE SEE IRS INSTRUCTIONS					
Account number (see instructions)							
20068061072477191 08							

Case No. 2006-00161

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APR 27 2006

PUBLIC SERVICE COMMISSION

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APR 27 2006

FINANCIAL ANA

UNITED STATES DEPARTMENT OF AGRICULTURE  
 RURAL DEVELOPMENT  
 ANNUAL STATEMENT OF LOAN ACCOUNT

SAVE THIS INFORMATION  
 FOR INCOME TAX PURPOSES

PAGE 001  
 DATE 123105

CASE NUMBER 20-068-0610724771		FINAL YEAR OF LOAN 2006		AMOUNT OF LOAN 240,000.00			
FUND CODE 81		LOAN NUMBER 01		DATE OF LOAN 11/15/66			
INTEREST RATE 03.7500		AMOUNT OF LOAN 240,000.00					
DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	INTEREST RATE	EFFECTIVE DATE	
BEGIN LOAN BALNCE		32.88	10,000.00	10,032.88		010105	
PAYMENT		187.50	0.00	187.50	R 03.7500	060605	
PAYMENT		187.50	10,000.00	10,187.50	R 03.7500	122105	
TOTAL LOAN PMTS.		375.00	10,000.00	10,375.00			
LOAN ACTIVITY	0.00	375.00	10,000.00	10,375.00			
LOAN BALANCE	UNPD INTEREST	0.00 **	UNPD PRIN	0.00 **			
NXT AMT DUE	DATE DUE						
PAYMENT STATUS							
TAXES PAID							
<small>**These unpaid balances may not reflect the total amount due to the Agency at payoff.</small>							
RECIPIENT'S/LENDER'S name, address, and telephone number USDA, RURAL DEVELOPMENT PHONE#(314)457-4310 P.O. BOX 200011 FC-351 ST. LOUIS, MO 63120-0011			CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.		OMB NO. 1545-0901 <b>2005</b> Form 1098	<input type="checkbox"/> CORRECTED If checked: <b>Mortgage Interest Statement</b>	
RECIPIENT'S Federal Identification no. 431757115		PAYER'S social security number 610724771		1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00			COPY B FOR PAYER The information in boxes 1, 2, and 3 is important tax information and is being furnished to the Internal Revenue Service if you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overclaimed a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.
PAYER'S/BORROWER'S name and address 20-704 GARRISON-QUINCY-KY- O'HEIGHTS WATER DISTRICT P O BOX 279 GARRISON KY			2 Points paid on purchase of principal residence (See Box 2 instructions.) \$				
20-704 GARRISON-QUINCY-KY- O'HEIGHTS WATER DISTRICT P O BOX 279 GARRISON KY			3 Refund of overpaid interest (See Box 3 instructions.) \$				
20-704 GARRISON-QUINCY-KY- O'HEIGHTS WATER DISTRICT P O BOX 279 GARRISON KY			4 IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.				
Account number (see instructions) 20068061072477191 01							

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT  
ANNUAL STATEMENT OF LOAN ACCOUNT

SAVE THIS INFORMATION  
FOR INCOME TAX PURPOSES

PAGE 002  
DATE 123105

CASE NUMBER 20-068-0610724771		FINAL YEAR OF LOAN 2027		AMOUNT OF LOAN 250,000.00		
FUND CODE 91		LOAN NUMBER 03		DATE OF LOAN 02/23/88 INTEREST RATE 06.3750		
DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		28.70	211,000.00	211,028.70		010105
PAYMENT		6,725.62	0.00	6,725.62	R 06.3750	060605
PAYMENT		6,725.62	4,000.00	10,725.62	R 06.3750	122105
TOTAL LOAN PMTS		13,451.24	4,000.00	17,451.24		
LOAN ACTIVITY	0.00	13,451.24	4,000.00	17,451.24		
LOAN BALANCE	UNPD INTEREST	28.41 **	UNPD PRIN	207,000.00 **		
NXT AMT DUE	10,725.62	DATE DUE	010106			
PAYMENT STATUS	ON SCHEDULE					
TAXES PAID						
*These unpaid balances may not reflect the total amount due to the Agency at payoff.						
RECIPIENT'S/LENDER'S name, address, and telephone number			CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.		OMB NO. 1545-0901 <b>2005</b> Form 1098	
USDA, RURAL DEVELOPMENT PHONE# (314)457-4310 P.O. BOX 200011 FC-351 ST LOUIS, MO 63120-0011					<input type="checkbox"/> CORRECTED (if checked) <b>Mortgage Interest Statement</b>	
RECIPIENT'S Federal Identification No.	PAYER'S social security number		1 Mortgage Interest received from payer(s)/borrower(s)			
431757115	610724771		\$ 0.00			
PAYER'S/BORROWER'S name and address			2 Points paid on purchase of principal residence (See Box 2 instructions.)			
20-704 GARRISON-QUINCY-KY- O'HEIGHTS WATER DISTRICT P O BOX 279 GARRISON KY 41141			\$			
			3 Refund of overpaid interest (See Box 3 instructions.)			
			\$			
			4			
			IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.			
Account number (see instructions) 20068061072477191 03						

FORM RD 1951-9 (03/05)

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT ANNUAL STATEMENT OF LOAN ACCOUNT

SAVE THIS INFORMATION FOR INCOME TAX PURPOSES

PAGE 004 DATE 123105

CASE NUMBER 20-068-0610724771		FINAL YEAR OF LOAN 2036		AMOUNT OF LOAN 295,000.00	
FUND CODE 91		LOAN NUMBER 05	DATE OF LOAN 11/13/96	INTEREST RATE 04.5000	
DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	EFFECTIVE DATE
BEGIN LOAN BALNCE		0.00	274,500.00	274,500.00	010105
PAYMENT		6,176.25	4,000.00	10,176.25	R 04.5000 060605
PAYMENT		6,086.25	0.00	6,086.25	R 04.5000 122105
TOTAL LOAN PMTS		12,262.50	4,000.00	16,262.50	
LOAN ACTIVITY	0.00	12,262.50	4,000.00	16,262.50	
LOAN BALANCE	UNPD INTEREST	0.00 **	UNPD PRIN	270,500.00 **	
NXT AMT DUE	6,086.25	DATE DUE	010105		
PAYMENT STATUS	ON SCHEDULE				
TAXES PAID					

\*These unpaid balances may not reflect the total amount due to the Agency at payoff.

RECIPIENT'S/LENDER'S name, address, and telephone number

USDA, RURAL DEVELOPMENT PHONE#(314)457-4310 P.O. BOX 200011 FC-351 ST. LOUIS, MO 63120-0011

CAUTION: The amount shown may not be fully deductible by you. Limit based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.

OMB NO. 1545-0901

2005

Form 1098

CORRECTED If checked:

Mortgage Interest Statement

RECIPIENT'S Federal Identification No. 431757115

PAYER'S social security number 610724771

1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00

COPY 5 FOR PAYER

PAYER'S/BORROWER'S name and address

20-704 GARRISON-QUINCY-KY- O'HEIGHTS WATER DISTRICT P O BOX 279 GARRISON KY 41141

2 Points paid on purchase of principal residence (See Box 2 instructions) \$

3 Refund of overpaid interest (See Box 3 instructions) \$

4 IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.

The information in boxes 1, 2, and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax resulted because you overclaimed a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.

Account number (see instructions) 20068061072477191 05

FORM NO 1981-9  
10/2002 LIBRARY

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT  
ANNUAL STATEMENT OF LOAN ACCOUNT

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PAGE 003  
DATE 123105

CASE NUMBER 20-068-0610724771		FINAL YEAR OF LOAN 2027		AMOUNT OF LOAN 50,000.00	
FUND CODE 01		LOAN NUMBER 04	DATE OF LOAN 02/23/88	INTEREST RATE 05.8750	
DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	EFFECTIVE DATE
BEGIN LOAN BALNCE		5.67	40,500.00	40,505.67	010105
PAYMENT		1,189.68	0.00	1,189.68	060605
PAYMENT		1,189.68	900.00	2,089.68	122105
TOTAL LOAN PMTS		2,379.36	900.00	3,279.36	
LOAN ACTIVITY	0.00	2,379.36	900.00	3,279.36	
LOAN BALANCE	UNPD INTEREST	5.83 **	UNPD PRIN	39,606.66 **	
NXT AMT DUE	2,089.68		DATE DUE	010106	
PAYMENT STATUS ON SCHEDULE					
TAXES PAID					
*These unpaid balances may not reflect the total amount due to the Agency at payoff.					
RECIPIENT'S/LENDER'S name, address, and telephone number		CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.		OMB NO. 1545-0901 <b>2005</b> Form 1098	
USDA, RURAL DEVELOPMENT PHONE#(314)457-4310 P.O. BOX 200011 FC-351 ST. LOUIS, MO 63120-0011				<input type="checkbox"/> CORRECTED (if checked)	
RECIPIENT'S Federal identification no.		PAYER'S social security number		1 Mortgage interest received from payer(s)/borrower(s)	
431757115		610724771		\$ 0.00	
PAYER'S/BORROWER'S name and address		2 Points paid on purchase of principal residence (See Box 2 instructions.)		3 Refund of overpaid interest (See Box 3 instructions.)	
20-704 GARRISON-QUINCY-KY- O'HEIGHTS WATER DISTRICT P O BOX 279 GARRISON KY 41141				\$	
Account number (see instructions)		4		IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.	
20068061072477191 04					

**Attachment**

**Garrison-Quincy-KY-O'Heights Water District**

**Billing Analysis**

**CURRENT RATES**

<b>Billing Analysis for: Garrison-Quincy-KY-O'Heights Water District</b>			
<b>Test Period From: January through December 2006</b>			
<b>Normalized Summary</b>			
Meter Size	Bills	Gallons Sold	Revenue
5/8 inch	12,805	51,139,636	\$298,779
1 inch	70	615,910	4,431
2 inch	12	1,649,840	6,033
Bulk Loading Station		376,086	2,633
<b>TOTALS</b>	<b>12,887</b>	<b>53,781,472</b>	<b>\$311,877</b>

Billing Analysis for: Garrison-Quincy-KY-O'Heights Water District							
Meter Size:	5/8 inch						
NORMALIZED							
				FIRST	NEXT	NEXT	NEXT
	USAGE	BILLS	GALLONS	2,000	3,000	5,000	10,000
FIRST	2,000	3732	3,592,907	3,592,907			
NEXT	3,000	5691	19,216,314	11,382,000	7,834,314		
NEXT	5,000	2729	18,248,175	5,458,000	8,187,000	4,603,175	
NEXT	10,000	653	10,082,240	1,306,000	1,959,000	3,265,000	3,552,240
		12805	51,139,636	21,738,907	17,980,314	7,868,175	3,552,240
REVENUE BY RATE INCREMENT							
		BILLS	GALLONS	RATE	REVENUE		
FIRST	2,000	12805	21,738,907	\$12.18	\$155,965		
NEXT	3,000		17,980,314	5.45	97,993		
NEXT	5,000		7,868,175	4.13	32,496		
NEXT	10,000		3,552,240	3.47	12,326		
	TOTAL	12805	51,139,636		\$298,779		

<b>Billing Analysis for: Garrison-Quincy-KY-O'Heights Water District</b>					
<b>Meter Size:</b>	<b>1 inch</b>				
<b>NORMALIZED</b>					
				<b>FIRST</b>	<b>NEXT</b>
	<b>USAGE</b>	<b>BILLS</b>	<b>GALLONS</b>	<b>10,000</b>	<b>10,000</b>
FIRST	10,000	50	131,010	131,010	
NEXT	10,000	20	484,900	200,000	284,900
		70	615,910	331,010	284,900
<b>REVENUE BY RATE INCREMENT</b>					
		<b>BILLS</b>	<b>GALLONS</b>	<b>RATE</b>	<b>REVENUE</b>
FIRST	10,000	70	331,010	\$49.18	\$3,443
NEXT	10,000		284,900	3.47	989
	<b>TOTAL</b>	<b>70</b>	<b>615,910</b>		<b>\$4,431</b>

Billing Analysis for: Garrison-Quincy-KY-O'Heights Water District					
Meter Size:	2 inch				
NORMALIZED					
				FIRST	NEXT
	USAGE	BILLS	GALLONS	50,000	50,000
FIRST	50,000	1	11,200	11,200	
NEXT	50,000	11	1,638,640	550,000	1,088,640
		12	1,649,840	561,200	1,088,640
REVENUE BY RATE INCREMENT					
		BILLS	GALLONS	RATE	REVENUE
FIRST	50,000	12	561,200	\$187.98	\$2,256
NEXT	50,000		1,088,640	3.47	3,778
	TOTAL	12	1,649,840		\$6,033

**Attachment**

**Garrison-Quincy-KY-O'Heights Water District**

**Billing Analysis**

**Proposed Rates**

<b>Billing Analysis for: Garrison-Quincy-KY-O'Heights Water District</b>			
<b>Test Period From: January through December 2006</b>			
<b>PROPOSED RATE SUMMARY</b>			
<b>Meter Size</b>	<b>Bills</b>	<b>Gallons Sold</b>	<b>Revenue</b>
5/8 inch	12,805	51,139,636	\$386,322
1 inch	70	615,910	5,643
2 inch	12	1,649,840	7,487
<b>Bulk Loading Station</b>		376,086	2,633
<b>TOTALS</b>	<b>12,887</b>	<b>53,781,472</b>	<b>\$402,085</b>

Billing Analysis for: Garrison-Quincy-KY-O'Heights Water District							
Meter Size:	5/8 inch						
PROPOSED RATE							
				FIRST	NEXT	NEXT	NEXT
	USAGE	BILLS	GALLONS	2,000	3,000	5,000	10,000
FIRST	2,000	3732	3,592,907	3,592,907			
NEXT	3,000	5691	19,216,314	11,382,000	7,834,314		
NEXT	5,000	2729	18,248,175	5,458,000	8,187,000	4,603,175	
NEXT	10,000	653	10,082,240	1,306,000	1,959,000	3,265,000	3,552,240
		12805	51,139,636	21,738,907	17,980,314	7,868,175	3,552,240
REVENUE BY RATE INCREMENT							
		BILLS	GALLONS	RATE	REVENUE		
FIRST	2,000	12805	21,738,907	\$16.53	\$211,667		
NEXT	3,000		17,980,314	6.49	116,692		
NEXT	5,000		7,868,175	5.43	42,724		
NEXT	10,000		3,552,240	4.29	15,239		
	TOTAL	12805	51,139,636		\$386,322		

<b>Billing Analysis for: Garrison-Quincy-KY-O'Heights Water District</b>					
<b>Meter Size:</b>	<b>1 inch</b>				
<b>PROPOSED RATE</b>					
				<b>FIRST</b>	<b>NEXT</b>
	<b>USAGE</b>	<b>BILLS</b>	<b>GALLONS</b>	10,000	10,000
FIRST	10,000	50	131,010	131,010	
NEXT	10,000	20	484,900	200,000	284,900
		70	615,910	331,010	284,900
<b>REVENUE BY RATE INCREMENT</b>					
		<b>BILLS</b>	<b>GALLONS</b>	<b>RATE</b>	<b>REVENUE</b>
FIRST	10,000	70	331,010	\$63.15	\$4,421
NEXT	10,000		284,900	4.29	1,222
	<b>TOTAL</b>	70	615,910		\$5,643

<b>Billing Analysis for: Garrison-Quincy-KY-O'Heights Water District</b>					
<b>Meter Size:</b>	<b>2 inch</b>				
<b>PROPOSED RATE</b>					
				FIRST	NEXT
	USAGE	BILLS	GALLONS	50,000	50,000
FIRST	50,000	1	11,200	11,200	
NEXT	50,000	11	1,638,640	550,000	1,088,640
		12	1,649,840	561,200	1,088,640
<b>REVENUE BY RATE INCREMENT</b>					
		BILLS	GALLONS	RATE	REVENUE
FIRST	50,000	12	561,200	\$234.75	\$2,817
NEXT	50,000		1,088,640	4.29	4,670
	TOTAL	12	1,649,840		\$7,487

**Attachment**

**Garrison-Quincy-KY-O'Heights Water District**

**COST OF SERVICE STUDY**

Allocation of Plant Value				
Garrison-Quincy-KY-O'Heights Water District				
	<b>Total</b>	<b>Commodity</b>	<b>Demand</b>	<b>Customer</b>
Land & Land Rights	\$3,576		\$3,576	
Structures and Improvements	48,666		48,666	
Reservoirs	47,943		47,943	
Wells and Springs	136,851		136,851	
Transmission & Distribution Mains	2,317,588		2,317,588	
Meters & Meter Installation	119,646			119,646
Water Treatment Equipment	542,810		542,810	
Pumping Equipment	167,282		167,282	
Services	7,875			7,875
Hydrants	2,076			2,076
<b>Subtotal</b>	<b>\$3,394,313</b>		<b>\$3,264,716</b>	<b>\$129,597</b>
Allocation Percentages	100%		96.2%	3.8%
Office Furniture & Equipment	\$18,620		\$17,912	\$708
Transportation Equipment	71,517		68,799	2,718
Power Operaterd Equipment	51,201		49,255	1,946
<b>Subtotal</b>	<b>\$141,338</b>		<b>\$135,967</b>	<b>\$5,371</b>
<b>Total</b>	<b>\$3,535,651</b>		<b>\$3,400,683</b>	<b>\$134,968</b>
Source: PSC Annual Report 2006				

Allocation of Depreciation				
Garrison-Quincy-KY-O'Heights Water District				
	<b>Total</b>	<b>Commodity</b>	<b>Demand</b>	<b>Customer</b>
Structures & Improvements	\$19,657		\$19,657	
Reservoirs	15,848		15,848	
Wells and Springs	14,275		14,275	
Pumping Equipment	76,352		76,352	
Water Treatment Equipment	406,206		406,206	
Trasmission & Distribution Mains	391,562		391,562	
Meters	36,894			\$36,894
Hydrants	1,040			1,040
Services	4,175			4,175
<b>Subtotal</b>	<b>\$966,009</b>		<b>\$923,900</b>	<b>\$42,109</b>
Allocation Percentages	100%		95.6%	4.4%
Office Furniture & Equipment	\$14,174		\$13,550	\$624
Transportation Equipmetn	68,569		65,552	3,017
Tools, Shop & Garage Equip	43,657		41,736	1,921
Subtotal	\$126,400		\$120,838	\$5,562
<b>Total</b>	<b>\$1,092,409</b>		<b>\$1,044,738</b>	<b>\$47,671</b>
Source: PSC Annual Report 2006				

Allocation of Operation & Maintenance Expense				
Garrison-Quincy-KY-O'Heights Water District				
	Total	Commodity	Demand	Customer
Employee Salary Expense	\$71,149		\$41,953	\$29,196
Pension & Benefits	12,932		7,631	5,301
Purchased Water	27,187	\$27,187		
Purchased Power	17,441	17,441		
Chemicals	3,785	3,785		
Transportation Expense	4,119		4,119	
Bad Debt Expense	797			797
Subtotal	\$137,410	\$48,413	\$53,703	\$35,294
Less Commodity	(\$48,413)			
Total	\$88,997			
Allocation Percentages	100%		60%	40%
Salaries & Wages-Admin	\$29,806		\$17,884	\$11,922
Salaries & Wages-Officers	6,600		3,960	2,640
Pension & Benefits-Admin	5,411		3,247	2,164
Insurance	23,069		13,841	9,228
Contractual Services-Accounting	3,200		1,920	1,280
Contractual Services-OTHER	1,300		780	520
Reg Com Expense	561		337	224
Taxes other than Income	8,228		4,937	3,291
Amortization Expense	3,444		2,066	1,378
Materials and Supplies	15,996		9,598	6,398
Miscellaneous Expense	27,672		16,603	11,069
Subtotal	\$125,287		\$75,173	\$50,114
<b>Operating Expenses</b>	<b>\$262,697</b>	<b>\$48,413</b>	<b>\$128,876</b>	<b>\$85,408</b>
Source: Field Review 2007				

Allocation of Cost of Service				
Garrison-Quincy-KY-O'Heights Water District				
	<b>Total</b>	<b>Commodity</b>	<b>Demand</b>	<b>Customer</b>
Operation & Maintenance	\$262,697	\$48,413	\$128,876	\$85,408
Debt Service <sup>1</sup>	71,158		68,454	2,704
Depreciation <sup>2</sup>	110,394		105,537	4,857
General Water Service Cost	\$444,249		\$302,867	\$92,969
Less:				
Interest Income	\$827			\$827
Other Operating Income	43,532			43,532
Bulk Sales <sup>3</sup>	2,633			2,633
<b>Revenue Required from Rates</b>	<b>\$397,257</b>	<b>\$48,413</b>	<b>\$302,867</b>	<b>\$45,977</b>
NOTES:				
<sup>1</sup> The Debt Service has been allocated on the percentages from the Plant Value Sheet.				
<sup>2</sup> The Depreciation Expense has been allocated on the percentages from the Depreciation Expense Sheet. The Depreciation Expense has been reduced by \$14,676 to reflect the increase in revenue being requested by the District.				
<sup>3</sup> The District is not seeking to increase the Bulk Sales Rate of \$7.00 per thousand gallon as this rate appears adequate for the amount of sales for this service.				

Calculation of Water Rates					
Garrison-Quincy-KY-O'Heights Water District					
	Total	First 2,000 gallons	Next 3,000 gallons	Next 5,000 gallons	Over 10,000 gallons
Actual Water Sales:					
Thousand Gallons	53,405,386	21,871,697	18,121,734	8,044,975	5,366,980
Percent	100%	41.0%	33.9%	15.1%	10.0%
Weighted Sales for Demand:					
		<b>2</b>	<b>1.66</b>	<b>1.34</b>	<b>1</b>
Thousand Gallons	89,972,719	43,743,394	30,082,078	10,780,267	5,366,980
Percent	100%	48.6%	33.4%	12.0%	6.0%
Allocation of Volumetric Costs:					
Commodity	\$48,413	\$19,849	\$16,412	\$7,310	\$4,841
Demand	302,867	147,193	101,158	36,344	18,172
Customer	45,977	45,977			
Total	\$397,257	\$213,019	\$117,570	\$43,654	\$23,013
Number of Bills	12,887				
<b>Proposed Rates</b>		<b>\$16.53</b>	<b>\$6.49</b>	<b>\$5.43</b>	<b>\$4.29</b>

Verification of Rates						
Garrison-Quincy-KY-O'Heights Water District						
			<b>Bills</b>	<b>Gallons</b>	<b>Rate</b>	<b>Revenue</b>
First	2,000	gallons	12,887	21,871,697	\$16.53	\$213,022
Next	3,000	gallons		18,121,734	6.49	117,610
Next	5,000	gallons		8,044,975	5.43	43,684
Over	10,000	gallons		5,366,980	4.29	23,024
Total Revenue from Rates						\$397,340
Other Operating Revenue:						
Interest Income						\$827
Other Operating Income						43,532
Bulk Sales				376,086	7.00	2,633
<b>Totals</b>			<b>12,887</b>	<b>53,781,472</b>		<b>\$444,332</b>

Comparison of Rates				
Garrison-Quincy-KY-O'Heights Water District				
Gallon Usage	Current Rates	Cost of Service Rates	Monetary Increase	Percentage Increase
1,000	\$12.18	\$16.53	\$4.35	35.7%
2,000	\$12.18	\$16.53	4.35	35.7%
3,000	\$17.63	\$23.02	5.39	30.6%
4,000	\$23.08	\$29.51	6.43	27.9%
5,000	\$28.53	\$36.00	7.47	26.2%
6,000	\$32.66	\$41.43	8.77	26.9%
7,000	\$36.79	\$46.86	10.07	27.4%
8,000	\$40.92	\$52.29	11.37	27.8%
9,000	\$45.05	\$57.72	12.67	28.1%
10,000	\$49.18	\$63.15	13.97	28.4%
15,000	\$66.53	\$84.60	18.07	27.2%
20,000	\$83.88	\$106.05	22.17	26.4%
25,000	\$101.23	\$127.50	26.27	26.0%
30,000	\$118.58	\$148.95	30.37	25.6%
35,000	\$135.93	\$170.40	34.47	25.4%
40,000	\$153.28	\$191.85	38.57	25.2%
50,000	\$187.98	\$234.75	46.77	24.9%
75,000	\$274.73	\$342.00	67.27	24.5%
100,000	\$366.93	\$455.74	88.81	24.2%
150,000	\$534.98	\$663.75	128.77	24.1%
200,000	\$708.48	\$878.25	169.77	24.0%
250,000	\$881.98	\$1,092.75	210.77	23.9%
300,000	\$1,055.48	\$1,307.25	251.77	23.9%
350,000	\$1,228.98	\$1,521.75	292.77	23.8%
Comparison of Rates				
Block Usage			Current Rates	Proposed rates
First	2,000	gallons	\$12.18	\$16.53
Next	3,000	gallons	5.45	6.49
Next	5,000	gallons	4.13	5.43
Over	10,000	gallons	3.47	4.29
Effect on Customer Average Bill - 5,000 Gallons Usage				
Current Rates	Proposed Rates	Amount Increase	% Increase	
\$28.53	\$36.00	\$7.47	26.20%	

Garrison-Quincy-KY-O'Heights Water District					
Proposed Monthly Water Rates					
5/8" Meter					
First	2,000	gallons	\$16.53	Minimum bill	
Next	3,000	gallons	6.49	per 1,000 gallons	
Next	5,000	gallons	5.43	per 1,000 gallons	
Over	10,000	gallons	4.29	per 1,000 gallons	
1" Meter					
First	10,000	gallons	\$63.15	Minimum bill	
Over	10,000	gallons	4.29	per 1,000 gallons	
2" Meter					
First	50,000	gallons	\$234.75	Minimum bill	
Over	50,000	gallons	4.29	per 1,000 gallons	

**Attachment**

**Garrison-Quincy-KY-O'Heights Water District**

**Strike Through Tariff**



**Attachment**

**Garrison-Quincy-KY-O'Heights Water District**

**Proposed Tariff**

FOR: Entire Service Area  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

SHEET NO. \_\_\_\_\_

Garrison-Quincy-KY-O'Heights Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

SHEET NO. \_\_\_\_\_

RATES

Monthly Rates

5/8" & 3/4" Meters

First	2,000	gallons	\$16.53	Minimum bill
Next	3,000	gallons	6.49	per 1,000 gallons
Next	5,000	gallons	5.43	per 1,000 gallons
Over	10,000	gallons	4.29	per 1,000 gallons

1" Meters

First	10,000	gallons	\$63.15	Minimum bill
Over	10,000	gallons	4.29	per 1,000 gallons

2" Meters

First	50,000	gallons	\$234.75	Minimum bill
Over	50,000	gallons	4.29	per 1,000 gallons

SURCHARGE

A monthly surcharge of \$5.00 will be added to each Phase II and Phase III customers.

DATE OF ISSUE \_\_\_\_\_  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY \_\_\_\_\_  
(Signature of Officer)

TITLE \_\_\_\_\_

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE  
COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_